

# CALIFORNIA MEDICAL ASSISTANCE COMMISSION



ANNUAL REPORT  
TO THE LEGISLATURE  
2004

# CALIFORNIA MEDICAL ASSISTANCE COMMISSION ANNUAL REPORT TO THE LEGISLATURE 2004

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## **EXECUTIVE SUMMARY**

This twenty-first Annual Report to the Legislature by the California Medical Assistance Commission (CMAC) reports access and cost information relating to the past year's operation of the Selective Provider Contracting Program (SPCP) as well as the County Organized Health Systems and Geographic Managed Care programs for which CMAC has negotiating responsibility.

### **SELECTIVE PROVIDER CONTRACTING PROGRAM**

The SPCP was established by the Legislature in 1982 and operates under a federal waiver in accordance with Section 1915(b)(4), Title XIX, of the Social Security Act. Other state law and regulations governing the Commission's activities are set forth in Welfare and Institutions Code sections 14165 et seq., California Code of Regulations, Title 22, Division 3, Section 51541, and California Code of Regulations, Title 22, Division 10, Sections 100501 et seq. Through the SPCP the State selectively contracts, on a competitive basis, with those hospitals in California that desire to provide services to Medi-Cal beneficiaries. The California Medical Assistance Commission is the agency established to negotiate with hospitals on behalf of the State. The SPCP has operated successfully for over twenty years. Competitive contracting has assured continued hospital access for beneficiaries while, at the same time, saving the state and federal governments substantial funds.

### **BENEFICIARY ACCESS**

From its inception, the SPCP has selectively contracted with hospitals to provide services to beneficiaries. The requirement that the program ensure sufficient hospital beds to serve the Medi-Cal population has always been a key criterion in determining which hospitals should be contracting hospitals.

Overall, the 229 general acute care hospitals contracting with the State of California have sufficient capacity to provide all of the inpatient care necessary for beneficiaries in the areas where these hospitals operate. These 229 hospitals have over four times the number of available licensed beds necessary to meet the inpatient care needs of Medi-Cal beneficiaries in the State.

## **PROGRAM SAVINGS**

In addition to ensuring hospital access for beneficiaries through the competitive contracting program, the State has saved a significant amount of funds--a total of approximately \$7.5 billion in State General Fund savings since 1983. For fiscal year 2003-04 alone, State General Fund savings attributable to the SPCP are \$703.0 million. These are funds that would have been spent, had the State continued operating under the traditional, cost-based reimbursement system which continues to operate in many parts of the United States.

Based on a fiscal year 2003-04 average statewide Medi-Cal contract rate of \$1,029 per day, the average contract rate has increased 100.4 percent, or approximately 3.5 percent per year on a compounded basis, since the inception of the program. For non-contracting hospitals remaining under the cost-based reimbursement system, the average payment rate for the same period has increased 277.5 percent, or approximately 6.9 percent per year on a compounded basis.

In addition to the Commission's role in contract hospital per diem negotiations, it is also charged with negotiations with four of the Department of Health Services' (DHS) five County Organized Health Systems (COHS) and both of the two Geographic Managed Care (GMC) programs. Through these negotiations, estimated State General Fund savings of \$210.0 million was achieved in fiscal year 2003-04, and a total State General Fund savings of over \$500 million has accrued since the commencement of CMAC management care negotiations.

## **CONCLUSIONS**

In summary, the SPCP and managed care activities of CMAC continue to ensure access to hospital inpatient and health plan services to Medi-Cal beneficiaries and to remain cost-effective programs for delivering and paying for those services in the year 2004.

# **SELECTIVE PROVIDER CONTRACTING PROGRAM**

## **EFFECT OF SELECTIVE CONTRACTING ON ACCESS, QUALITY, AND COST**

The primary responsibility of the California Medical Assistance Commission (CMAC) is to maintain the integrity of the Medi-Cal Selective Provider Contracting Program (SPCP). For over twenty years, the SPCP has worked to provide access to hospital acute care inpatient services for Medi-Cal beneficiaries sufficient to meet need, while at the same time achieving significant savings over the traditional "cost-based" reimbursement system being utilized by many other states. Employing the concepts of competition and negotiation, the SPCP has two decades of experience that demonstrate the value of those concepts in the purchase of Medi-Cal health care services.

## **HOSPITALS AVAILABLE FOR MEDI-CAL BENEFICIARIES**

Since the inception of the SPCP, the Commission has annually provided updated statistics to the Legislature that describe the current extent of acute care inpatient services available under an SPCP contract. An important consideration in evaluating the program has been the extent to which the "selective" aspect of the contracting program still assures that there are sufficient hospital beds and services available to Medi-Cal beneficiaries. A variety of analyses have been presented in previous reports to describe the availability and use of SPCP contracted services. Many of those analyses are updated for this report.

Of the 229 general acute care hospitals under contract, 225 hospitals are under contract in 63 "closed areas" of the State. "Closed areas" are those Health Facility Planning Areas (HFPAs) where SPCP contracts have been signed and Medi-Cal beneficiaries must receive inpatient care at a contract hospital, except in emergencies or as provided for under Welfare and Institutions Code section 14087. Four other hospitals are under contract in "open areas" of the State. "Open areas" are those HFPAs where the SPCP is not in effect. These are primarily rural, one-hospital areas where the principles of competitive contracting do not apply. There were no changes in the SPCP status of any HFPA in 2003. A listing of all HFPAs, along with their current SPCP status, is included in this report as Appendix A.

The number of hospitals entering into new SPCP contracts, terminating contracts and recontracting after termination since December 1, 1982 is presented in Table 1. A total of 229 general acute care hospitals were under contract as of December 1, 2003, 5 fewer hospitals than the previous year. This resulted from the contract termination of one hospital that no longer provides acute inpatient services, and the closure of four hospitals. Contracting status changes are provided in Table 2, and a listing of all SPCP contract hospitals available to Medi-Cal beneficiaries as of December 1, 2003, is provided in Appendix B.

**TABLE 1**  
**SPCP CONTRACT CHANGES**  
**FROM DECEMBER 2, 1982 TO DECEMBER 1, 2003**

	PRIOR MULTI-YEAR PERIODS			ANNUAL CHANGES			TOTAL
	82/86	86/90	90/00	00/01	01/02	02/03	82/03
Contracts at Start	0	271	236	247	237	234	0
New Contracts	293	21	59	1	1	0	375
Terminations	-30	-67	-84*	-12	-4	-5	-202
Recontracted	8	11	36	1**	0	0	56
<b>Contracts at End</b>	<b>271</b>	<b>236</b>	<b>247</b>	<b>237</b>	<b>234</b>	<b>229</b>	<b>229</b>

\* Seven of these terminations were the result of converting the contract fee-for-service mental health system to the State Department of Mental Health's managed care system effective January 1, 1995.

\*\*Number increased from 0, as stated in 2002 Annual Report. One hospital which had left the program and subsequently returned (recontracted) was omitted in error from that report.

Source: CMAC Management Information System

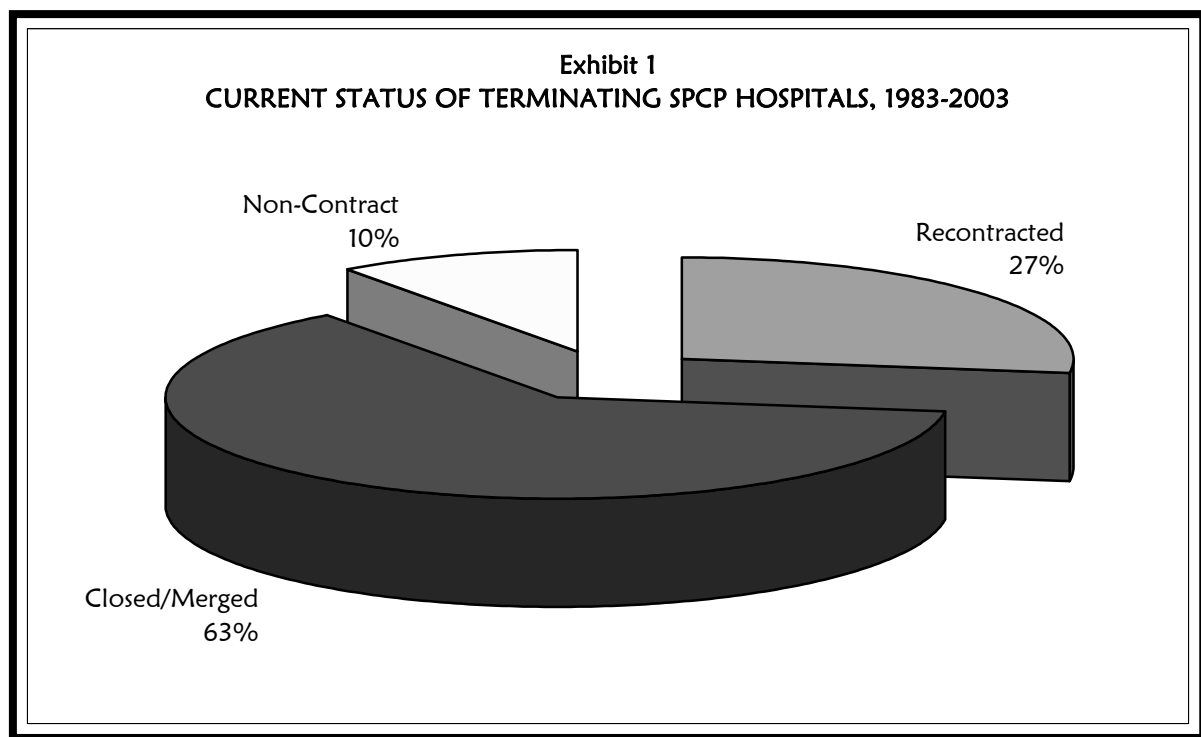


**TABLE 2**

**HOSPITALS WITH SPCP CONTRACT CHANGES  
FROM DECEMBER 2, 2002 THROUGH DECEMBER 1, 2003**

HOSPITAL	LOCATION
<b>Hospitals Initiating Contracting for the First Time (0)</b>	
<b>Hospitals Recontracting (0)</b>	
<b>Hospitals Terminating (5)</b>	
Los Angeles Co. High Desert*	Los Angeles
Bellwood General Hospital*	Downey/Norwalk
Santa Ana Hospital*	Anaheim
Granada Hills Community Hospital*	San Fernando
San Luis Obispo General Hospital*	San Luis Obispo
<b>Contract Changes Due to Mergers/License Consolidations (0)</b>	
* Hospital no longer provides acute inpatient services or is no longer in operation.	

As shown in Exhibit 1 below, of the 202 contract terminations occurring since February 1, 1983 (the effective date of the first SPCP hospital contract), 27 percent have since recontracted with the program. Sixty-three percent of the remaining hospitals with contract terminations have either closed their doors, merged or consolidated with other contracting hospitals, placed all their beds in “suspense” license status, or are located in rural HFPAs that are now “open” to cost-based Medi-Cal reimbursement. Only 10 percent of the hospitals that terminated their SPCP contracts continue to provide acute care services to the general public in “closed” HFPAs and are available to serve Medi-Cal beneficiaries only in emergency situations.



## **SERVICE CAPACITY AVAILABLE TO MEET NEED**

Table 3 presents data showing the percent of “Medi-Cal Area Need Under Contract.” The table depicts acute inpatient hospital bed capacity under contract, as a percentage of the area bed need, required to assure Medi-Cal beneficiaries have access to acute inpatient services under the SPCP. The data is for calendar year 2002 and indicates, with the exception of two specific instances involving burn center services, that sufficient bed capacity was available in SPCP contracting hospitals to meet the acute inpatient hospitalization needs of Medi-Cal beneficiaries for the specified services in all geographic areas. The annotation “N/A” for Coastal and Riverside County is due to the fact that there are no licensed burn beds in these two areas.

CMAC takes into consideration trends with respect to acute inpatient utilization; changes in the availability of licensed bed services, e.g., neonatal intensive care; mergers and consolidations of hospitals; and the effect of managed care--both generally and specifically for Medi-Cal beneficiaries being served under the SPCP. There has been a slight decrease in the number of SPCP contracting hospitals in recent years, which has resulted in a net decrease in the number of SPCP licensed beds available of 2.4 percent from calendar year 2001 to calendar year 2002.

**TABLE 3**

**PERCENT OF 2002 MEDI-CAL AREA NEED  
UNDER SPCP CONTRACT**

AREA*	TOTAL	MS/ICU	OB	NICU	PED	REHAB	BURN
STATEWIDE	438%	514%	273%	215%	379%	782%	630%
SACRAMENTO	345%	399%	337%	154%	179%	613%	156%
SAN FRANCISCO BAY	591%	743%	281%	234%	425%	515%	710%
SAN JOAQUIN VALLEY	303%	334%	259%	196%	229%	610%	569%
COASTAL	708%	1205%	218%	309%	800%	3588%	N/A
LOS ANGELES	398%	450%	237%	204%	449%	1526%	890%
ORANGE	727%	1325%	331%	290%	414%	1659%	670%
RIVERSIDE	445%	520%	284%	188%	651%	708%	N/A
SAN BERNARDINO	347%	426%	304%	151%	240%	257%	775%
SAN DIEGO	503%	404%	486%	307%	404%	1340%	144%
* Refer to Appendix A, Closed Area Name, for identification of HFPAs within each Area designation.							
Service Codes	MS/ICU	Medical-Surgical & Intensive Care					
	OB	Obstetrics					
	NICU	Neonatal Intensive Care Unit					
	PED	Pediatrics					
	REHAB	Acute Rehabilitation					
	BURN	Burn Center					

Table 3 indicates that the statewide total for vacant licensed beds under SPCP contract was 438 percent greater than the Medi-Cal patient caseload required in 2002. The licensed beds and non-Medi-Cal patient caseload data was collected from the 2002 Annual Report of Hospitals as published by the Office of Statewide Health Planning and Development, which represents the most recent and complete report at the time this table was developed. Medi-Cal patient caseload data for 2002 was used in order to provide comparability to data derived from the 2002 Annual Report of Hospitals.

## **SPENDING LIMITS**

### **2003-04 Budget Act Trailer Bill**

The budget provisions relating to the SPCP program contained in Section 80.5 of the 2003-04 Budget Act Trailer Bill (Assembly Bill No. 1762, p. 134) stated: “It is the intent of the Legislature that the California Medical Assistance Commission freeze all Medi-Cal reimbursement rates paid to hospitals for inpatient services at their fiscal year 2003-04 contract rate, or at a lower level, whichever is applicable based on contract negotiations.” This language, and other actions taken in the fiscal year 2003-04 budget, were intended to try to keep the next year’s structural budget deficit from deteriorating further. Specific attempts by CMAC to comply with the Legislature’s intent to maintain or lower acute inpatient General Fund expenditures include:

- Seeking to negotiate new contracts with non-SPCP hospitals in “closed” areas at rates that generate General Fund savings for the State
- Exploring the possibility of closing new areas of the State and negotiating new contracts with hospitals in those areas at rates that generate General Fund savings
- Trying to negotiate elimination of multi-year rate increases currently in contracts with selected contract hospitals
- Trying to negotiate rate decreases with selected contract hospitals
- Reducing the number of rate negotiations entered into
- Reducing the size and number of negotiated rate increases

Through a combination of the above efforts, CMAC has been successful in its efforts to avoid increases to the General Fund since the enactment of Section 80.5 of the 2003-04 Budget Act Trailer Bill. CMAC continues to make every effort to honor the fiscal intent of the Legislature, while striving to assure the highest level of quality care and access for Medi-Cal beneficiaries.

### **Federal Waiver**

Since its inception, the SPCP has operated under a federal waiver, in accordance with Section 1915(b)(4) of the Social Security Act. The SPCP waiver must be renewed every two years and approved by the federal Centers for Medicare & Medicaid Services

(CMS). The current SPCP waiver has been approved by CMS for the period January 1, 2003 through December 31, 2004.

Historically, the SPCP waiver renewal was contingent upon the State's ability to demonstrate the cost effectiveness of providing services under the waiver. The cost effectiveness test compared aggregate per diem and supplemental payments made under the SPCP waiver to payments estimated under a cost-based reimbursement system, which is still the Medi-Cal acute inpatient reimbursement methodology for those hospitals that do not participate in the SPCP. The difference between the aggregate payments made under the SPCP waiver and a cost-based reimbursement system was previously considered "waiver savings."

For the current SPCP waiver, the methodology to assess the waiver's cost effectiveness has changed. The new methodology requires the State to demonstrate compliance with new federal upper payment limits (UPL). As set forth in federal law, the UPL represents the limit of aggregate payments that can be made by the State based on Medicare payment principles. For hospital acute inpatient services, a separate UPL exists for each of the following facility categories: (1) non-State, government-owned (county and district) hospitals; (2) State-owned hospitals (hospitals owned by the University of California system); and (3) privately-owned hospitals. For the first time, the current SPCP waiver is also subject to annual spending limits based on UPL requirements.

Given the new spending limits, demonstrating waiver savings to CMS, as defined above and historically used in SPCP waiver renewal estimates, is no longer a waiver requirement. However, the SPCP remains a cost-effective program. Relatedly, the SPCP saves the State substantial General Fund dollars when hospital per diem rates negotiated under the SPCP are compared to estimated Medi-Cal cost-based reimbursements. Therefore, all savings estimates included in this Annual Report to the Legislature will hereafter be stated in terms of savings to the State General Fund.

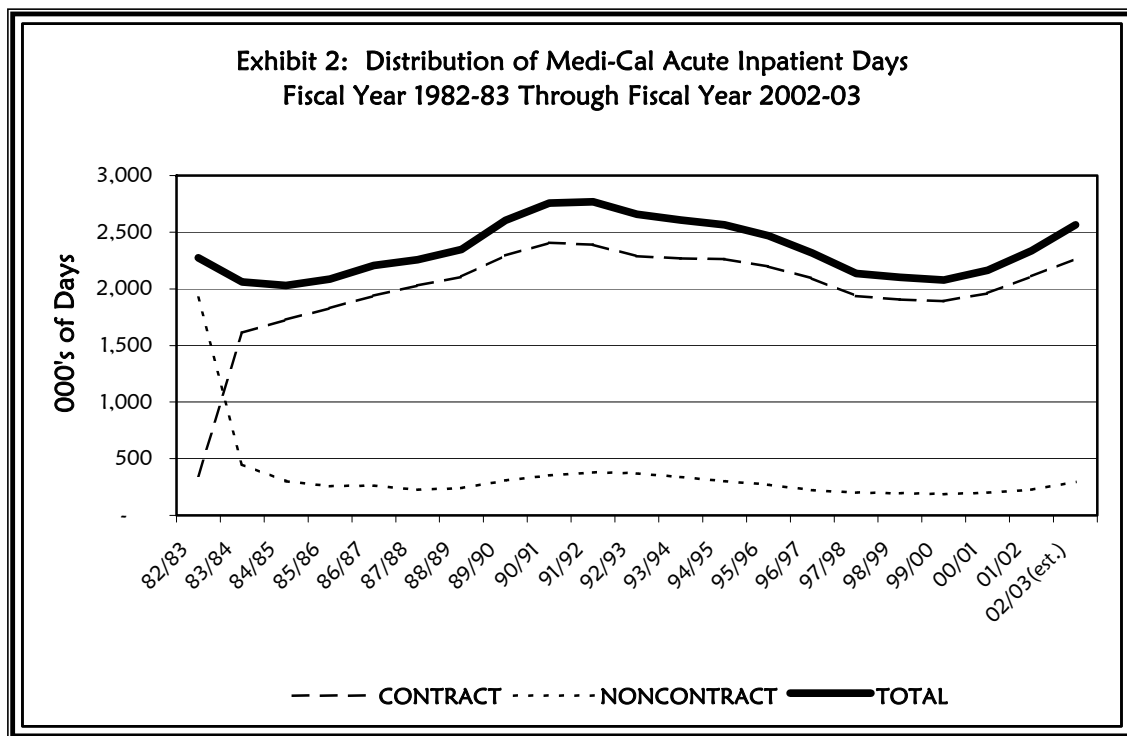
## **MEDI-CAL INPATIENT EXPENDITURES AND UTILIZATION**

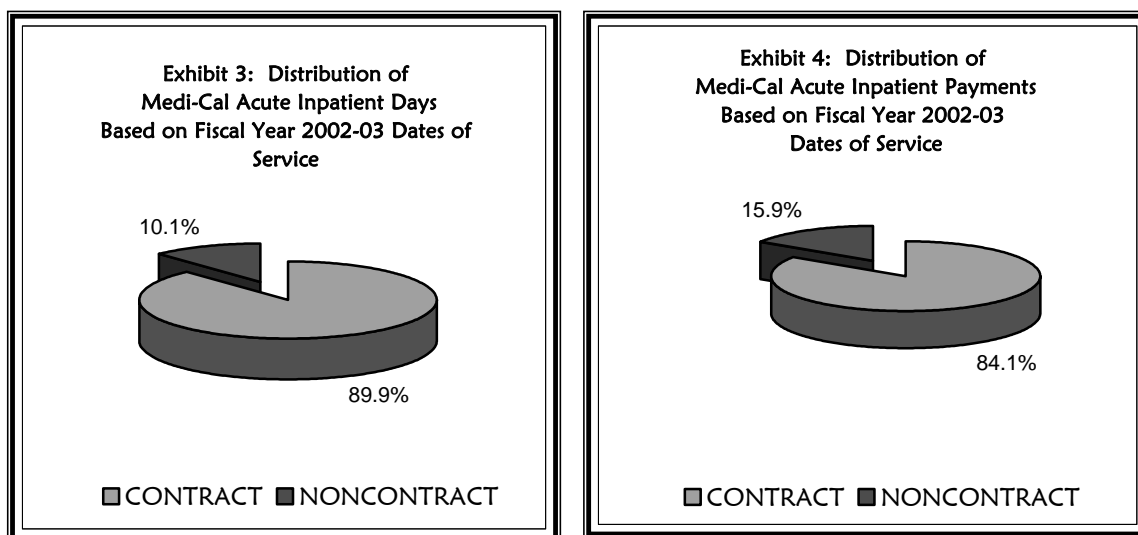
All days and dollars cited in this section are estimates for services provided in fiscal year 2002-03 based on fee-for-service (non-managed care) payments made by the State's Medi-Cal fiscal intermediary. Statewide, fee-for-service Medi-Cal expenditures for general acute care hospital inpatient services provided in fiscal year 2002-03 were approximately \$3.01 billion in State and federal funds. Of this amount, approximately

\$2.53 billion, or 84.1 percent, was paid to SPCP hospitals. All other hospitals in open areas and non-contract hospitals in closed areas accounted for 15.9 percent of the payments.

In fiscal year 2002-03, the Medi-Cal program purchased approximately 2.46 million days of inpatient hospital acute care at SPCP contract and non-contract hospitals, an increase of some 80,000 days over the previous fiscal year. SPCP contract hospitals provided approximately 2.21 million patient days of care in fiscal year 2002-03, representing 89.9 percent of the total inpatient acute care days provided to Medi-Cal beneficiaries. Hospitals in open areas and non-contract hospitals in closed areas provided the remaining 10.1 percent of total inpatient acute care days.

The following Exhibits display the current distribution of Medi-Cal acute inpatient days and payments between SPCP contract and non-contract hospitals as well as that trend since the inception of the SPCP.





## ANALYSIS OF FISCAL IMPACT OF SPCP CONTRACTING PROGRAM

The implementation of the SPCP has generated substantial General Fund savings. These General Fund savings have increased from less than \$100.0 million per annum during the early years of the SPCP to the current estimate of \$703.0 million in General Fund savings for fiscal year 2003-04.

For the past twenty-one years, the fiscal impact of SPCP contracting has been monitored by comparing negotiated contract rates with estimates of what hospitals would have been paid under the cost-based reimbursement system. The Audits and Investigations Division of the Department of Health Services compiles data on Medi-Cal allowable costs and utilization as reported by each hospital for every fiscal year. This information is used to calculate allowable costs per day for each hospital. This figure is then adjusted by statewide inpatient inflation factors to arrive at a benchmark rate for each hospital.

These per day benchmark rates for contracting hospitals are then compared to actual CMAC negotiated rates. The number of days of service rendered by each hospital is multiplied by both the benchmark and the negotiated rate. The latter is subtracted from the former to show the SPCP savings estimate for each hospital. The result of adding the State General Fund savings figures for all hospitals under contract as of December 1, 2003, is a projected SPCP expenditure estimated to be \$703.0 million less than the total benchmark expenditure estimate for the year.

It is difficult to identify the amount of State General Fund savings produced by the SPCP with absolute certainty because it is difficult to accurately project what each of

the 229 contracting hospitals would have received if the SPCP were discontinued and each hospital were to return to the cost-based reimbursement system. It is possible that hospitals would spend more than their estimated benchmarks because there would be less of an incentive to control costs under a cost-based reimbursement system. Thus, while CMAC continues to calculate SPCP savings figures, CMAC is reluctant to precisely represent any particular figure as SPCP savings for a particular year.

## **ADDITIONAL HOSPITAL FINANCING PROGRAMS**

There are four additional hospital financing programs in California that provide supplemental payments to eligible SPCP hospitals. These supplemental funds are negotiated and/or distributed by CMAC through the SPCP contracts.

### **SB 1255 (Chapter 996, Statutes of 1989)**

Welfare and Institutions Code section 14085.6 provides for the Emergency Services and Supplemental Payments (ESSP) Fund, commonly known as the SB 1255 program. This fund is designed to receive voluntary transfers from public sources, including available federal matching funds, for distribution to eligible hospitals through negotiations with CMAC. To be eligible to negotiate for distributions from the ESSP fund, a hospital must be:

- 1) a Medi-Cal SPCP contract hospital;
- 2) a disproportionate share provider based on requirements specified in State statute and the California State Medicaid Plan; and
- 3) a licensed provider of basic or comprehensive emergency medical services (or a children's hospital which provides such emergency services in conjunction with another licensed hospital), or meet other requirements as specified in Welfare and Institutions Code Section 14085.6.

Approximately \$1.7 billion was negotiated for payment to qualifying 1255 hospitals during fiscal year 2003-04.

### **SB 1732 (Chapter 1635, Statutes of 1988)**

Welfare and Institutions Code section 14085.5 provides for the Construction and



Renovation Reimbursement Program, commonly known as the SB 1732 program. This program provides for additional payments to disproportionate share hospitals for costs related to capital construction. While the SB 1732 program is administered by the Department of Health Services, funds are distributed as part of the SPCP. During fiscal year 2003-04, approximately \$107.2 million in additional payments to hospitals were made as a result of the SB 1732 program.

**AB 761 (Chapter 226, Statutes of 1999)**

Welfare and Institutions Code section 14085.9 provides for the Small and Rural Hospital Supplemental Payment Program. This program establishes a fund to provide supplemental reimbursement to small and rural hospitals with standby emergency rooms that could not qualify for reimbursement under SB 1255. During fiscal year 2003-04, \$75,000 was distributed under this program.

**Medical Education**

Sections 14085.7 and 14085.8 were added to the Welfare and Institutions Code in the mid-1990s to create two new supplemental payment funds in support of medical education. The purpose of such funds is to recognize medical education costs associated with health care services rendered to Medi-Cal beneficiaries. Much like the SB 1255 fund, the Medi-Cal Medical Education Supplemental Payment Fund and the Medi-Cal Large Teaching Emphasis Hospital and Children's Hospital Medical Education Supplemental Payment Fund are financed through intergovernmental transfers (or other federally permissible donations) and then matched with federal Medicaid funds. Payments from these two funds to eligible hospitals are negotiated between CMAC and SPCP contracting hospitals that meet other criteria prescribed in State statute, providing that funds are available.

SPCP contracting hospitals that meet the definition of university teaching hospitals or major (non-university) teaching hospitals contained in the Department of Health Services' report dated May 1991, entitled "Hospital Peer Grouping," are eligible to negotiate for Medi-Cal Medical Education Supplemental Payment Funding. During fiscal year 2003-04, additional payments to hospitals qualifying under the Medi-Cal Education Supplemental Payment Fund were \$151.7 million.

SPCP contracting hospitals that are either: (1) a large teaching-emphasis hospital, as defined in the Department of Health Services' report dated May 1991, entitled "Hospital Peer Grouping," or (2) a children's hospital pursuant to Welfare and Institutions Code, section 10727; and meet the definition of an eligible hospital as

defined in Welfare and Institutions Code section 14105.98, subdivision (a)(3), are eligible to negotiate for Medi-Cal Large Teaching Emphasis Hospital and Children's Hospital Medical Education Supplemental Payment Funding.

The Department of Health Services did not receive intergovernmental transfers to the Medi-Cal Large Teaching Emphasis and Children's Hospital Medical Education Supplemental Payment Fund during fiscal year 2003-04, nor were payments made from this fund. Eligible hospitals that have historically received support through this fund received additional consideration from CMAC during the negotiation of SB 1255 distributions.

### **AVERAGE PAYMENT RATE CHANGES**

The average per-day reimbursement received by the 229 general acute care hospitals with Medi-Cal SPCP contracts on December 1, 2003 was \$1,029. The overall increase in the statewide average resulted from the combination of the following effects during the twelve-month period:

- 79 Contract hospitals received an increase in rates through the negotiation process; however, it should be noted that the vast majority of these increases occurred in fiscal year 2002-03 and prior to the passage of the Budget Act trailer bill late in the calendar year
- 1 Contract hospital experienced a negotiated decrease in rates
- 0 Hospitals began contracting for the first time
- 5 General acute care hospital contracts were terminated
- 0 Hospitals recontracted

As of December 1, 2003, there were no longer any SPCP contracting hospitals paid an all-inclusive per discharge rate; there had been two such hospitals during the previous year. There were eight SPCP contracting hospitals with rate structures that included a separate discharge rate for obstetrical services, one less than the prior year.

Table 4 displays average contract rates by region and hospital size for calendar years 1984 through 2003. These numbers represent the average rate paid under SPCP contract as of December 1 for each year reported. The average rate a SPCP contract hospital receives has increased 100.4 percent from 1984 through 2003, or approximately 3.5 percent per year on a compound basis. This is in contrast to the historical change in the average payment rate to non-contracting hospitals. Under the cost-based reimbursement system, the average payment rate from 1984 to 2003 has increased 277.5 percent or approximately 6.9 percent per year on a compound basis.

**TABLE 4**  
**AVERAGE MEDI-CAL SPCP CONTRACT RATES**  
**AS OF DECEMBER 1, 2003**

YEAR	1984	1987	1990	1993	1996	2000	2001	2002	2003
STATEWIDE	\$513	\$544	\$651	\$780	\$836	\$905	\$957	\$991	\$1,028
BY STANDARD CONSOLIDATED STATISTICAL AREAS (SCSA):*									
So. California	\$516	\$541	\$662	\$789	\$837	\$891	\$921	\$952	\$964
SF Bay Area	\$562	\$592	\$682	\$816	\$873	\$985	\$1,104	\$1,178	\$1,218
Other Areas	\$483	\$525	\$620	\$748	\$815	\$905	\$962	\$999	\$1,060
BY NUMBER OF BEDS:									
1 – 99	\$467	\$480	\$544	\$647	\$686	\$777	\$799	\$839	\$855
100 – 299	\$511	\$545	\$653	\$780	\$842	\$911	\$952	\$982	\$1,041
300 +	\$578	\$619	\$738	\$871	\$918	\$1,029	\$1,098	\$1,127	\$1,154
*SCSA									
Southern California =		Counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura							
San Francisco Bay Area =		Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma							
Other Areas =		All other counties not included in the other two areas.							

Sources: CMAC Management Information System and Office of Statewide Health Planning and Development (Licensing File System)

## MANAGED CARE

Since the mid-1990s, CMAC has negotiated the Department of Health Services' Medi-Cal managed care contracts with four of the five County Organized Health Systems (COHS) and both of the two Geographic Managed Care (GMC) programs.

The COHS model is a mechanism by which a county may operate a managed health care plan to deliver medical services to local Medi-Cal beneficiaries. Enrollment in a COHS is mandatory for virtually the entire Medi-Cal population in that county and occurs concurrently with enrollment in the Medi-Cal program. As authorized under Welfare and Institutions Code section 14087.5, the four COHSs that negotiate with CMAC for their Medi-Cal reimbursement rates are:

- Health Plan of San Mateo (San Mateo County);
- Partnership Health Plan of California (Solano, Napa and Yolo Counties);
- CalOPTIMA (Orange County); and
- Central Coast Alliance for Health (Santa Cruz and Monterey Counties).

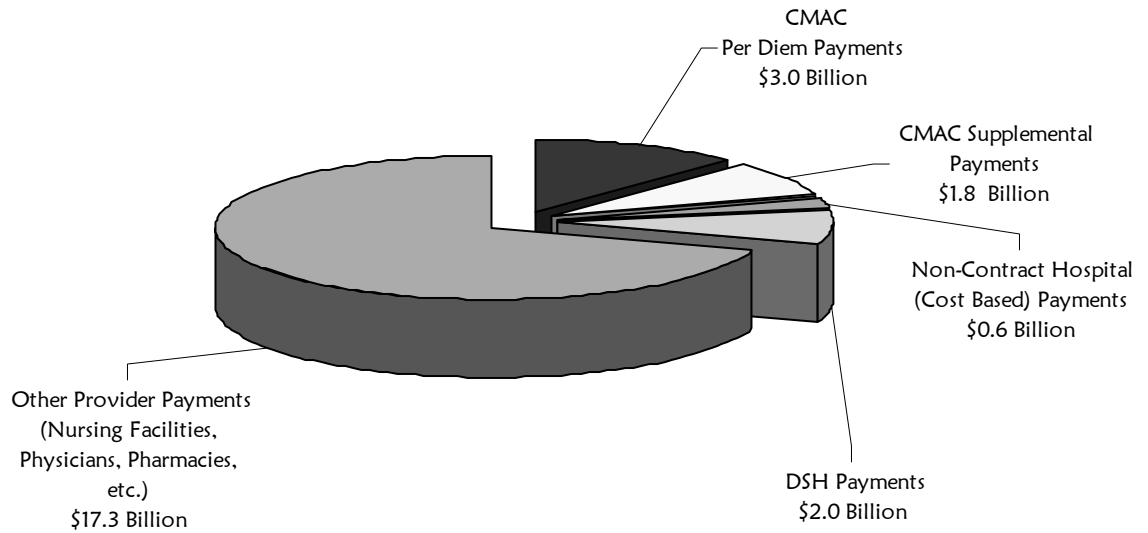
Under the GMC model, CMAC negotiates contract rates, terms and conditions for Medi-Cal contracts between competing HMOs and the Department of Health Services for a standard benefit package. There are two GMC programs currently operating in California, one in Sacramento County, which includes coverage for dental services, and the other in San Diego County.

GMC is a Medi-Cal managed care model designed to provide a comprehensive program of managed care with maximum access by allowing Medi-Cal beneficiaries, in clearly defined geographical areas of the State, to choose among competing commercial health maintenance organizations (HMOs) (see Welfare and Institutions Code Section 14089). The features that distinguish the GMC model from the COHS managed care model are multiple HMOs, beneficiary choice of an HMO, and some voluntary enrollment categories.

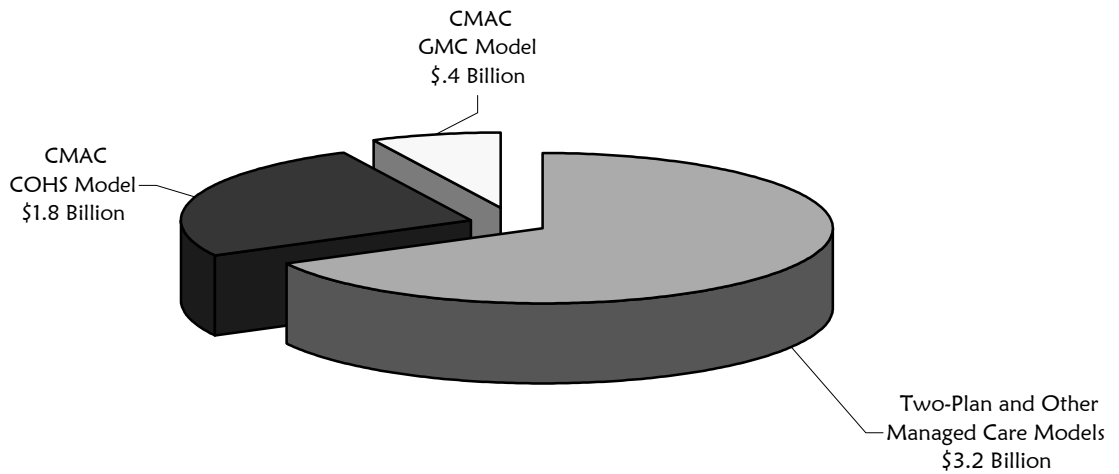
In fiscal year 2003-04, the estimated State General Fund savings due to CMAC's managed care rate negotiations is estimated to be \$210.0 million. Since the commencement of CMAC managed care negotiations, the accumulated State General Fund annual savings associated with these negotiations is estimated to be in excess of \$500 million.

As shown in Exhibits 5 and 6 below, as projected from the fiscal year 2004-05 Medi-Cal (Department of Health Services) estimate, CMAC negotiates roughly 23 percent of the total Medi-Cal program budget of \$30.1 billion (\$3.0 billion in SPCP inpatient per diem payments, \$1.8 in supplemental program payments, and \$2.2 billion for managed care).

**Exhibit 5: Estimated Fiscal Year 2004-05 Distribution of Medi-Cal Payments, Exclusive of Payments to Managed Care Plans (\$24.7 Billion)**



**Exhibit 6: Estimated Fiscal Year 2004-05 Distribution of Medi-Cal Payments to Managed Care Plans (\$5.4 Billion)**



Source: May 2004 Medi-Cal Estimate (Prepared by the Department of Health Services). Estimated distributions are based on Medi-Cal Paid Claims Data.

## CONCLUSIONS

After twenty-one years of operation, the SPCP continues to ensure access to hospital inpatient acute care services for Medi-Cal beneficiaries. Additionally, and importantly, the SPCP remains a cost-effective program for delivering and paying for acute hospital inpatient services.

In fiscal year 2003-04, the SPCP has realized estimated State General Fund program savings of \$703.0 million as a result of negotiating Medi-Cal acute inpatient per diem rates of reimbursement with 229 hospitals. Over the twenty-one years of the SPCP, the State General Fund has realized accumulated estimated savings of \$7.5 billion.

In addition to the savings resulting from SPCP contract hospital per diem negotiations, an estimated savings of \$210.0 million was achieved in fiscal year 2003-04 through negotiated rates with DHS' Managed Care Plan programs—the four County Organized Health Systems and the two Geographic Managed Care programs. Since the beginning of CMAC's managed care negotiations, an estimated total State General Fund savings of over \$500 million has accrued.

As described above, total savings resulting from CMAC negotiations over the life of its existence is roughly \$8 billion.

# APPENDIX A

Contracting Status of HFPA's as of  
December 1, 2003

# APPENDIX A

## CONTRACTING STATUS OF HFPAs AS OF DECEMBER 1, 2003

CLOSED AREA NAME	HFWA	HFWA NAME	AREA STATUS	CLOSURE DATE	REOPEN DATE	RECLOSURE DATE
	101	CRESCENT CITY	OPEN			
	103	HOOPA	OPEN			
	105	EUREKA	OPEN			
	107	FORTUNA	OPEN			
	109	GARBERVILLE	OPEN			
	111	FORT BRAGG	OPEN			
	112	WILLITS	OPEN			
	113	UKIAH	OPEN			
	115	LAKEPORT	OPEN			
	201	ALTURAS	OPEN			
	203	YREKA	OPEN			
	205	MOUNT SHASTA	OPEN			
	207	WEAVERVILLE	OPEN			
	209	REDDING	OPEN	1-Jun-84	1-Jul-89	
	210	FALL RIVER MILLS	OPEN			
	211	RED BLUFF	OPEN			
	213	SUSANVILLE	OPEN	1-Aug-83	27-Aug-96	
	215	QUINCY	OPEN			
	217	PORTOLA	OPEN			
	219	CHICO	OPEN	1-Sep-84	1-Jul-89	
	220	PARADISE	OPEN			
	221	OROVILLE	OPEN			
	223	WILLOWS	OPEN			
	225	COLUSA	OPEN			
	227	MARYSVILLE	OPEN			
	300	LOYALTON	OPEN			
	301	NEVADA CITY	OPEN			
	302	NORTH LAKE TAHOE	OPEN			
	304	PLACERVILLE	OPEN			
	306	SOUTH LAKE TAHOE	OPEN			
	308	AUBURN	OPEN			
SACRAMENTO	309	ROSEVILLE	CLOSED	1-Jul-83		
SACRAMENTO	311	SACRAMENTO	CLOSED	1-Feb-83		
	313	WOODLAND	OPEN	1-Jun-83	13-Jun-02	
	401	SANTA ROSA	OPEN			
	403	PETALUMA	OPEN			
SAN FRANCISCO BAY	405	SAN RAFAEL	CLOSED	1-Jul-83		
	407	NAPA	OPEN			
	408	FAIRFIELD	OPEN	1-Aug-83	1-Aug-85	
	409	VALLEJO	OPEN			
SAN FRANCISCO BAY	411	CONCORD	CLOSED	1-Jul-83		
SAN FRANCISCO BAY	413	RICHMOND	CLOSED	1-Jul-83		
SAN FRANCISCO BAY	415	BERKELEY	CLOSED	1-Mar-83		
SAN FRANCISCO BAY	417	OAKLAND	CLOSED	1-Mar-83		
	419	LIVERMORE	OPEN			
SAN FRANCISCO BAY	421	HAYWARD	CLOSED	1-Mar-83		
SAN FRANCISCO BAY	423	SAN FRANCISCO	CLOSED	1-Feb-83		
SAN FRANCISCO BAY	425	DALY CITY	CLOSED	1-Feb-83		
	427	SAN MATEO	OPEN			
SAN FRANCISCO BAY	428	REDWOOD CITY	CLOSED	1-Mar-83		



## APPENDIX A

### CONTRACTING STATUS OF HFPAs AS OF DECEMBER 1, 2003

CLOSED AREA NAME	HFWA	HFWA NAME	AREA STATUS	CLOSURE DATE	REOPEN DATE	RECLOSURE DATE
SAN FRANCISCO BAY	429	PALO ALTO	CLOSED	1-Mar-83		
SAN FRANCISCO BAY	431	SAN JOSE	CLOSED	1-Mar-83		
	433	GILROY	OPEN			
	501	JACKSON	OPEN			
	503	SAN ANDREAS	OPEN			
SAN JOAQUIN VALLEY	505	LODI	CLOSED	1-Jul-83		
SAN JOAQUIN VALLEY	507	STOCKTON	CLOSED	1-Aug-87		
SAN JOAQUIN VALLEY	509	TRACY	CLOSED	1-Jul-83		
SAN JOAQUIN VALLEY	511	MODESTO	CLOSED	1-Jun-83		
SAN JOAQUIN VALLEY	513	SONORA	CLOSED	1-Jun-83		
SAN JOAQUIN VALLEY	515	MERCED	CLOSED	1-Jun-83		
SAN JOAQUIN VALLEY	516	TURLOCK	CLOSED	1-Jun-83		
	517	LOS BANOS	OPEN	1-Jun-83	9-Aug-01	
SAN JOAQUIN VALLEY	601	MADERA	CLOSED	1-Jul-83		
	603	MARIPOSA	OPEN			
SAN JOAQUIN VALLEY	605	FRESNO	CLOSED	1-Jul-83		
	607	REEDLEY	OPEN	1-Jun-83	1-Jul-01	
	608	DINUBA	OPEN	1-Jun-83	9-Mar-00	
	609	COALINGA	OPEN			
	611	VISALIA	OPEN			
	613	PORTERVILLE	OPEN			
	615	HANFORD	OPEN			
SAN JOAQUIN VALLEY	617	BAKERSFIELD	CLOSED	1-Aug-83		
	619	KERN RIVER VALLEY	OPEN			
	621	RIDGECREST	OPEN			
	623	TEHACHAPI	OPEN			
	625	TAFT	OPEN			
	701	HOLLISTER	OPEN			
COASTAL	703	SANTA CRUZ	CLOSED	1-Jun-83		
	705	SALINAS	OPEN	1-Jul-86	1-Feb-90	
	707	MONTEREY	OPEN	1-Jan-86	1-Feb-90	
	709	KING CITY	OPEN	1-Jul-86	1-Jul-89	
	711	WATSONVILLE	OPEN	27-Nov-85	23-Mar-93	
COASTAL	801	SAN LUIS OBISPO	CLOSED	1-Jun-83		
	803	SANTA MARIA	OPEN			
	805	LOMPOC	OPEN			
	807	SANTA BARBARA	OPEN			
COASTAL	809	VENTURA	CLOSED	1-Jul-83		
COASTAL	811	OXNARD	CLOSED	1-Jul-83		
LOS ANGELES	901	LANCASTER	CLOSED	1-Jul-83		
LOS ANGELES	903	SAN FERNANDO	CLOSED	1-Apr-83		
LOS ANGELES	905	VAN NUYS	CLOSED	1-Apr-83		
LOS ANGELES	907	BURBANK	CLOSED	1-Apr-83		
LOS ANGELES	909	GLENDALE	CLOSED	1-Apr-83		
LOS ANGELES	911	PASADENA	CLOSED	1-Apr-83		
LOS ANGELES	913	WEST SAN GABRIEL	CLOSED	1-Apr-83		
LOS ANGELES	915	EAST SAN GABRIEL	CLOSED	1-Apr-83		
LOS ANGELES	917	POMONA	CLOSED	1-Apr-83		
LOS ANGELES	919	WHITTIER	CLOSED	1-Apr-83		
LOS ANGELES	921	DOWNEY-NORWALK	CLOSED	1-Apr-83		

## APPENDIX A

### CONTRACTING STATUS OF HFPAs AS OF DECEMBER 1, 2003

CLOSED AREA NAME	HFPA	HFPA NAME	AREA STATUS	CLOSURE DATE	REOPEN DATE	RECLOSURE DATE
LOS ANGELES	923	LYNWOOD	CLOSED	1-Feb-83		
LOS ANGELES	925	LOS ANGELES	CLOSED	1-Apr-83		
LOS ANGELES	927	SANTA MONICA	CLOSED	1-Apr-83		
LOS ANGELES	929	INGLEWOOD	CLOSED	1-Jan-85	1-Feb-86	1-Jun-92
LOS ANGELES	931	TORRANCE	CLOSED	15-Aug-84	1-Feb-90	24-May-94
LOS ANGELES	933	LONG BEACH	CLOSED	1-Feb-83		
LOS ANGELES	935	WATTS	CLOSED	1-Apr-83		
LOS ANGELES	937	LA CANADA	CLOSED	1-Apr-83		
ORANGE	1011	FULLERTON	CLOSED	1-Nov-84		
ORANGE	1012	ANAHEIM	CLOSED	1-May-83		
ORANGE	1013	BUENA PARK	CLOSED	1-May-83		
	1014	HUNTINGTON BEACH	OPEN	1-May-83	17-Nov-90	
ORANGE	1015	SANTA ANA	CLOSED	1-May-83		
	1016	NEWPORT BEACH	OPEN			
	1017	SOUTH ORANGE	OPEN			
	1101	BLYTHE	OPEN			
RIVERSIDE	1103	INDIO	CLOSED	11-Jul-95		
RIVERSIDE	1105	PALM SPRINGS	CLOSED	1-Jul-83		
RIVERSIDE	1107	BANNING	CLOSED	1-Aug-83		
RIVERSIDE	1109	HEMET	CLOSED	1-Jul-83		
RIVERSIDE	1111	RIVERSIDE	CLOSED	1-Jul-83		
	1201	SOUTHERN INYO	OPEN			
	1203	NORTHERN INYO	OPEN			
	1205	MONO COUNTY	OPEN			
SAN BERNARDINO	1207	W. SAN BERNARDINO	CLOSED	1-Jul-83		
SAN BERNARDINO	1209	SAN BERNARDINO	CLOSED	1-Jun-83		
	1211	VICTOR VALLEY	OPEN			
	1213	BARSTOW	OPEN			
	1214	MORONGO BASIN	OPEN			
	1215	NEEDLES	OPEN			
	1217	BEAR VALLEY	OPEN			
SAN DIEGO	1412	INLND N. SAN DIEGO CO	CLOSED	1-Apr-83		
SAN DIEGO	1414	CSTAL N. SAN DIEGO CO	CLOSED	1-Apr-83		
SAN DIEGO	1416	NORTH SAN DIEGO CITY	CLOSED	1-Jul-83		
SAN DIEGO	1418	CNTRL SAN DIEGO CITY	CLOSED	1-Feb-83		
SAN DIEGO	1420	SOUTH SAN DIEGO CO	CLOSED	1-Feb-83		
SAN DIEGO	1422	EAST SAN DIEGO CO	CLOSED	1-Feb-83		
	1424	IMPERIAL COUNTY	OPEN			

SOURCE: California Medical Assistance Commission Management Information System

# **APPENDIX B**

**Medi-Cal Hospital Contracting Status  
as of December 1, 2003**

## APPENDIX B

### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
ROSEVILLE	309	950	C		MERCY SAN JUAN HOSPITAL
		1000	C		SUTTER ROSEVILLE MEDICAL CENTER
		4029	C		MERCY HOSPITAL OF FOLSOM
		4035		NC	KINDRED HOSPITAL - SACRAMENTO
		<b>TOTAL</b>	<b>3</b>	<b>1</b>	
SACRAMENTO	311	913		NC	KAISER FOUNDATION HOSPITAL-SACRAMENTO
		947	C		MERCY GENERAL HOSPITAL
		951	C		METHODIST HOSPITAL OF SACRAMENTO
		1006	C		UC DAVIS MEDICAL CENTER
		1051	C		SUTTER COMMUNITY HOSPITALS OF SACRAMENTO (2 Service Sites)
		2344		NC	KAISER FOUNDATION HOSPITAL-S. SACRAMENTO
		4114		NC	SHRINERS HOSPITAL
		<b>TOTAL</b>	<b>4</b>	<b>3</b>	
SAN RAFAEL	405	992		NC	KAISER FOUNDATION HOSPITAL - SAN RAFAEL
		993	C		KENTFIELD REHABILITATION HOSPITAL
		1006	C		MARIN GENERAL HOSPITAL
		4035	C		NOVATO COMMUNITY HOSPITAL
		<b>TOTAL</b>	<b>3</b>	<b>1</b>	
CONCORD	411	924	C		CONTRA COSTA REGIONAL MEDICAL CENTER
		934		NC	SUTTER DELTA MEDICAL CENTER
		988		NC	JOHN MUIR MEMORIAL HOSPITAL
		990		NC	KAISER FOUNDATION HOSPITAL - WALNUT CREEK
		1018		NC	MT. DIABLO MEDICAL CENTER
		4017		NC	SAN RAMON REGIONAL MEDICAL CENTER
		<b>TOTAL</b>	<b>1</b>	<b>5</b>	
RICHMOND	413	904	C		DOCTORS MEDICAL CENTER - SAN PABLO
		991		NC	KAISER FOUNDATION HOSPITAL - RICHMOND
		<b>TOTAL</b>	<b>1</b>	<b>1</b>	
BERKELEY	415	739	C		ALTA BATES MEDICAL CENTER (2 Service Sites)
		<b>TOTAL</b>	<b>1</b>	<b>0</b>	
OAKLAND	417	735	C		ALAMEDA HOSPITAL
		776	C		CHILDREN'S HOSPITAL MED CENTER OF N. CALIFORNI
		846	C		<u>ALAMEDA CO. MEDICAL CENTER-HIGHLAND</u>
		856		NC	KAISER FOUNDATION HOSPITAL - OAKLAND
		937	C		SUMMIT MEDICAL CENTER (2 Service Sites)
		<b>TOTAL</b>	<b>4</b>	<b>1</b>	

## APPENDIX B

### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
HAYWARD	421	805	C		EDEN MEDICAL CENTER (2 Service Sites)
		811	C		<u>ALAMEDA CO. MEDICAL CENTER-FAIRMONT</u>
		858		NC	KAISER FOUNDATION HOSPITAL - HAYWARD
		887	C		KINDRED-S.F. BAY AREA
		967	C		ST. ROSE HOSPITAL
		987	C		WASHINGTON HOSPITAL - FREMONT
		3619		NC	COLUMBIA SAN LEANDRO HOSPITAL
		4132		NC	KAISER FOUNDATION HOSPITAL - FREMONT
		=====			
		<b>TOTAL</b>	<b>5</b>	<b>3</b>	
SAN FRANCISCO	423	816		NC	KAISER FOUNDATION HOSPITAL - FRENCH CAMPUS
		857		NC	KAISER FOUNDATION HOSPITAL - SAN FRANCISCO
		865		NC	LAGUNA HONDA HOSPITAL & REHABILITATION CENT
		929	C		<u>CALIFORNIA PACIFIC MEDICAL CENTER (3 Service Sites)</u>
		933	C		<u>DAVIES MEDICAL CENTER</u>
		939	C		SAN FRANCISCO GENERAL HOSPITAL MEDICAL CTR
		960	C		ST. FRANCIS MEMORIAL HOSPITAL
		964	C		ST. LUKE'S HOSPITAL
		965	C		ST. MARY'S HOSPITAL AND MEDICAL CENTER
		1154	C		UCSF HOSPS & CLINICS & MT ZION MEDICAL CNTR OF THE UCSF (2 Service Sites)
DALY CITY	425	2715	C		CHINESE HOSPITAL
		=====			
		<b>TOTAL</b>	<b>8</b>	<b>3</b>	
		806		NC	KAISER FOUNDATION HOSPITAL -S. SAN FRANCISCO
		817	C		SETON MEDICAL CENTER
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>1</b>	
		804		NC	KAISER FOUNDATION HOSPITAL - REDWOOD CITY
		891	C		SEQUIOA HOSPITAL
		4018		NC	RECOVERY INN OF MENLO PARK
REDWOOD CITY	428	=====			
		<b>TOTAL</b>	<b>1</b>	<b>2</b>	
		763	C		EL CAMINO HOSPITAL OF MOUNTAIN VIEW
		805		NC	KAISER FOUNDATION HOSPITAL - SANTA CLARA
		905	C		UCSF STANFORD HEALTHCARE - STANFORD UNIVERSIT
		4040	C		LUCILE SALTER PACKARD CHILDREN'S HOSP. STANFOR
		=====			
		<b>TOTAL</b>	<b>3</b>	<b>1</b>	
		705	C		ALEXIAN BROTHERS HOSPITAL
		743	C		COMMUNITY HOSPITAL & REHABILITATION CENTER OF LOS GATOS-SARATOGA
PALO ALTO	429	779	C		GOOD SAMARITAN HOSPITAL OF SANTA CLARA VALLI
		837	C		O'CONNOR HOSPITAL
		879	C		SAN JOSE MEDICAL CENTER
		883	C		SANTA CLARA VALLEY MEDICAL CENTER
		1506		NC	KAISER - SANTA TERESA COMMUNITY HOSPITAL
		4051		NC	CHILDREN'S RECOVERY CENTER
		=====			
		<b>TOTAL</b>	<b>6</b>	<b>2</b>	
		923	C		LODI MEMORIAL HOSPITAL (2 Service Sites)
		=====			
SAN JOSE	431	<b>TOTAL</b>	<b>1</b>	<b>0</b>	
		923	C		LODI MEMORIAL HOSPITAL (2 Service Sites)
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>0</b>	
		923	C		LODI MEMORIAL HOSPITAL (2 Service Sites)
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>0</b>	
		923	C		LODI MEMORIAL HOSPITAL (2 Service Sites)
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>0</b>	

## APPENDIX B

### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
STOCKTON	507	846	C		DAMERON HOSPITAL
		1010	C		SAN JOAQUIN GENERAL HOSPITAL
		1042	C		ST. JOSEPH'S MEDICAL CENTER OF STOCKTON
		2287	C		DOCTORS HOSPITAL OF MANTECA
		4009	C		ST. DOMINIC'S HOSPITAL
		TOTAL	5	0	
TRACY	509	1056	C		SUTTER TRACY COMMUNITY HOSPITAL
		TOTAL	1	0	
MODESTO	511	852	C		DOCTOR'S MEDICAL CENTER
		939	C		MEMORIAL HOSPITAL MEDICAL CENTER - MODESTO
		954	C		CENTRAL CALIFORNIA REHABILITATION HOSPITAL
		967	C		OAK VALLEY DISTRICT HOSPITAL
		4038		NC	STANISLAUS SURGICAL
		TOTAL	4	1	
SONORA	513	1034		NC	SONORA COMMUNITY HOSPITAL
		1061	C		TUOLUMNE GENERAL HOSPITAL
		TOTAL	1	1	
MERCED	515	942	C		MERCY MEDICAL CENTER MERCED-COMMUNITY CAM
		948	C		MERCY HOSPITAL
		TOTAL	2	0	
TURLOCK	516	867	C		EMANUEL MEDICAL CENTER
		TOTAL	1	0	
LOS BANOS	517	853	C		DOS PALOS MEMORIAL HOSPITAL
		924		NC	MEMORIAL HOSPITAL OF LOS BANOS
		TOTAL	1	1	
MADERA	601	692	C		CHOWCHILLA DISTRICT MEMORIAL HOSPITAL
		1281		NC	MADERA COMMUNITY HOSPITAL
		4019	C		VALLEY CHILDREN'S HOSP & GUIDANCE CLINIC
		TOTAL	2	1	
FRESNO	605	717	C		<u>FRESNO COMMUNITY HOSPITAL &amp; MED CENTER</u>
		822	C		<u>UNIVERSITY MEDICAL CENTER</u>
		899	C		ST. AGNES MEDICAL CENTER
		4016	C		CLOVIS COMMUNITY HOSPITAL
		4023	C		SAN JOAQUIN VALLEY REHABILITATION HOSPITAL
		4047		NC	FRESNO SURGERY CENTER
		4062		NC	KAISER FOUNDATION HOSPITAL-FRESNO
		TOTAL	5	2	

## APPENDIX B

### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
BAKERSFIELD	617	706	C		DELANO REGIONAL MEDICAL CENTER
		722		NC	BAKERSFIELD MEMORIAL HOSPITAL
		736	C		KERN MEDICAL CENTER
		761		NC	MERCY HOSPITAL - BAKERSFIELD
		775	C		GOOD SAMARITAN HOSPITAL
		788	C		SAN JOAQUIN COMMUNITY HOSPITAL
		4022	C		HEALTHSOUTH BAKERSFIELD REHABILITATION HOSPITAL
		4101		NC	BAKERSFIELD HEART HOSPITAL
		=====			
		TOTAL	5	3	
SANTA CRUZ	703	755	C		DOMINICAN SANTA CRUZ HOSPITAL (2 Service Sites)
		4012		NC	SUTTER MATERNITY & SURGERY CENTER
		=====			
		TOTAL	1	1	
SALINAS	705	4043	C		NATIVIDAD MEDICAL CENTER
		875	C		SALINAS VALLEY MEMORIAL HOSPITAL
		=====			
		TOTAL	2	0	
SAN LUIS OBISPO	801	466	C		ARROYO GRANDE COMMUNITY HOSPITAL
		480	C		FRENCH HOSPITAL MEDICAL CENTER
		524	C		AMI SIERRA VISTA REGIONAL MEDICAL CENTER
		548	C		TWIN CITIES COMMUNITY HOSPITAL
		=====			
		TOTAL	4	0	
VENTURA	809	473	C		COMMUNITY MEMORIAL HOSPITAL OF SAN BUENAVENTURA
		481	C		VENTURA COUNTY MEDICAL CENTER
		501	C		OJAI VALLEY COMMUNITY HOSPITAL
		521	C		SANTA PAULA MEMORIAL HOSPITAL
		=====			
		TOTAL	4	0	
OXNARD	811	492	C		LOS ROBLES REGIONAL MEDICAL CENTER (2 service site)
		508	C		ST. JOHN'S PLEASANT VALLEY HOSPITAL
		525	C		SIMI VALLEY HOSPITAL & HEALTH CARE CENTER
		529	C		ST. JOHN'S REGIONAL MEDICAL CENTER
		=====			
		TOTAL	4	0	
LANCASTER	901	34	C		ANTELOPE VALLEY HOSPITAL MEDICAL CENTER
		455		NC	LANCASTER COMMUNITY HOSPITAL
		=====			
		TOTAL	1	1	
SAN FERNANDO	903	385	C		PROVIDENCE HOLY CROSS MEDICAL CENTER
		949	C		HENRY MAYO NEWHALL MEMORIAL HOSPITAL
		1231	C		<u>LOS ANGELES CO. OLIVE VIEW MEDICAL CENTER</u>
		=====			
		TOTAL	3	0	

## APPENDIX B

### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
		432		NC	KAISER FOUNDATION HOSPITAL - PANORAMA CITY
		517	C		ENCINO-TARZANA REGIONAL MEDICAL CENTER (2 Service Sites)
		524	C		MISSION COMMUNITY HOSPITAL
		552	C		MOTION PICTURE & TELEVISION HOSPITAL
		568	C		NORTHRIDGE HOSPITAL MEDICAL CTR-ROSCOE BLVD.
		708	C		SHERMAN OAKS HOSPITAL AND HEALTH CENTER
		810	C		NORTHRIDGE HOSPITAL MEDICAL CTR-SHERMAN WA
		812	C		VALLEY PRESBYTERIAN HOSPITAL
		814		NC	HOLLYWOOD COMMUNITY HOSPITAL OF VAN NUYS
		859		NC	WEST HILLS MEDICAL CENTER
		1450		NC	KAISER FOUNDATION HOSPITAL - WOODLAND HILLS
		=====			
VAN NUYS	905	TOTAL	7	4	
		696	C		PACIFICA HOSPITAL OF THE VALLEY
		758	C		PROVIDENCE ST. JOSEPH MEDICAL CENTER
		=====			
BURBANK	907	TOTAL	2	0	
		323	C		GLENDALE ADVENTIST MED CNTR WILSON TERRACE
		522	C		GLENDALE MEMORIAL HOSPITAL & HEALTH CENTER
		=====			
GLENDALE	909	TOTAL	2	0	
		400	C		HUNTINGTON MEMORIAL HOSPITAL
		=====			
PASADENA	911	TOTAL	1	0	
		17	C		ALHAMBRA HOSPITAL
		176	C		CITY OF HOPE NATIONAL MEDICAL CENTER
		200	C		SAN GABRIEL VALLEY MEDICAL CENTER
		315	C		GARFIELD MEDICAL CENTER
		352	C		GREATER EL MONTE COMMUNITY HOSPITAL
		529	C		METHODIST HOSPITAL OF SOUTHERN CALIFORNIA
		541	C		MONROVIA COMMUNITY HOSPITAL
		547	C		MONTEREY PARK HOSPITAL
		691	C		SANTA TERESITA HOSPITAL
		=====			
WEST SAN GABRIEL	913	TOTAL	9	0	
		298	C		FOOTHILL PRESBYTERIAN HOSPITAL
		328	C		HUNTINGTON EAST VALLEY HOSPITAL
		413	C		<u>CITRUS VALLEY MEDICAL CENTER - INTERCOMMUNIT</u>
		458		NC	SPECIALTY HOSPITAL OF SOUTHERN CALIFORNIA-SAN
		636	C		<u>CITRUS VALLEY MEDICAL CENTER - QUEEN OF THE VA</u>
		857	C		DOCTORS HOSPITAL OF WEST COVINA
		6035		NC	KAISER FOUNDATION HOSPITAL - BALDWIN PARK
		=====			
EAST SAN GABRIEL	915	TOTAL	5	2	
		137	C		CASA COLINA HOSP FOR REHABILITATIVE MEDICINE
		630	C		POMONA VALLEY COMMUNITY HOSPITAL
		673	C		SAN DIMAS COMMUNITY HOSPITAL
		=====			
POMONA	917	TOTAL	3	0	



## APPENDIX B

### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
WHITTIER	919	81	C		BEVERLY HOSPITAL
		631	C		PRESBYTERIAN INTERCOMMUNITY HOSPITAL
		883	C		WHITTIER HOSPITAL MEDICAL CENTER
		=====			
		TOTAL	3	0	
DOWNEY/NORWALK	921	66	C		BELLFLOWER MEDICAL CENTER
		159	C		TRI CITY REGIONAL MEDICAL CENTER
		243	C		DOWNEY COMMUNITY HOSPITAL (2 Service Sites)
		430		NC	KAISER FOUNDATION HOSPITAL - BELLFLOWER
		449		NC	SPECIALTY HOSPITAL OF SOUTHERN CALIFORNIA
		599	C		SUBURBAN MEDICAL CENTER
		766	C		COAST PLAZA DOCTORS HOSPITAL
		1306	C		<u>LOS ANGELES CO. RANCHO LOS AMIGOS MED CTR</u>
		=====			
		TOTAL	6	2	
LYNWOOD	923	197	C		COMMUNITY AND MISSION HOSPITALS OF HUNTINGTON PARK (2 Service Sites)
		754	C		ST. FRANCIS MEDICAL CENTER
		=====			
		TOTAL	2	0	
LOS ANGELES	925	52	C		BARLOW HOSPITAL
		125	C		CALIFORNIA MEDICAL CENTER - LOS ANGELES
		170	C		CHILDREN'S HOSPITAL OF LOS ANGELES
		198	C		LOS ANGELES COMMUNITY HOSPITAL (2 Service Sites)
		256	C		EAST LOS ANGELES DOCTORS HOSPITAL
		307	C		PACIFIC ALLIANCE MEDICAL CENTER
		380	C		HOLLYWOOD COMMUNITY HOSPITAL OF HOLLYWOOD
		382	C		QUEEN OF ANGELS/HOLLYWOOD PRESBY MED CTR
		392	C		GOOD SAMARITAN HOSPITAL
		429		NC	KAISER FOUNDATION HOSPITAL - LOS ANGELES
		468	C		LINCOLN HOSPITAL MEDICAL CENTER
		534		NC	MIDWAY HOSPITAL MEDICAL CENTER
		555	C		CEDARS SINAI MEDICAL CENTER
		581	C		ORTHOPAEDIC HOSPITAL
		661	C		CITY OF ANGELS MEDICAL CENTER - DOWNTOWN
		681	C		SAN VICENTE HOSPITAL
		685	C		SANTA MARTA HOSPITAL
		762	C		ST. VINCENT MEDICAL CENTER
		784	C		TEMPLE COMMUNITY HOSPITAL
		854	C		LOS ANGELES METROPOLITAN MEDICAL CENTER
		878	C		WHITE MEMORIAL MEDICAL CENTER
		1216	C		USC KENNETH NORRIS, JR. CANCER HOSPITAL
		1228	C		<u>LOS ANGELES CO. USC MEDICAL CENTER</u>
		4219	C		USC UNIVERSITY HOSPITAL
		=====			
		TOTAL	22	2	
SANTA MONICA	927	110	C		BROTMAN MEDICAL CENTER
		155	C		CENTURY CITY HOSPITAL
		434		NC	KAISER FOUNDATION HOSPITAL - WEST LOS ANGELES
		500		NC	DANIEL FREEMAN MARINA HOSPITAL
		687	C		SANTA MONICA-UCLA MEDICAL CENTER
		756		NC	ST. JOHN'S HOSPITAL AND HEALTH CENTER
		796	C		UCLA MEDICAL CENTER
		=====			
		TOTAL	4	3	

## APPENDIX B

### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
INGLEWOOD	929	148	C		CENTINELA HOSPITAL MEDICAL CENTER
		196		NC	COMMUNITY HOSPITAL OF GARDENA
		230	C		DANIEL FREEMAN MEMORIAL HOSPITAL
		305	C		KINDRED HOSPITAL - LOS ANGELES
		366	C		ROBERT F. KENNEDY MEDICAL CENTER
		521	C		MEMORIAL HOSPITAL OF GARDENA
		=====			
		<b>TOTAL</b>	<b>5</b>	<b>1</b>	
TORRANCE	931	422	C		TORRANCE MEMORIAL MEDICAL CENTER
		470	C		LITTLE COMPANY OF MARY HOSPITAL
		=====			
		<b>TOTAL</b>	<b>2</b>	<b>0</b>	
LONG BEACH	933	45	C		AVALON MUNICIPAL HOSPITAL
		53	C		ST. MARY MEDICAL CENTER
		135		NC	KAISER FOUNDATION HOSPITAL - CARSON
		240	C		LAKEWOOD REGIONAL MEDICAL CENTER
		431		NC	KAISER FOUNDATION HOSPITAL - HARBOR CITY
		525	C		LONG BEACH MEMORIAL MEDICAL CENTER
		587	C		PACIFIC HOSPITAL OF LONG BEACH
		680	C		SAN PEDRO PENINSULA HOSPITAL (2 service sites)
		1227	C		<u>LOS ANGELES CO. HARBOR/UCLA MEDICAL CENTER</u>
		6168	C		MILLER CHILDREN'S HOSPITAL
		=====			
		<b>TOTAL</b>	<b>8</b>	<b>2</b>	
WATTS	935	1230	C		<u>LOS ANGELES CO. M.L. KING JR./DREW MEDICAL CEN'</u>
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>0</b>	
LA CANADA	937	818	C		VERDUGO HILLS HOSPITAL
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>0</b>	
FULLERTON	1011	1126		NC	BREA COMMUNITY HOSPITAL
		1127		NC	KINDRED HOSPITAL-BREA
		1132		NC	KAISER FOUNDATION HOSPITAL - ANAHEIM
		1297	C		PLACENTIA-LINDA COMMUNITY HOSPITAL
		1342	C		ST. JUDE MEDICAL CENTER
		=====			
		<b>TOTAL</b>	<b>2</b>	<b>3</b>	
ANAHEIM	1012	1097	C		ANAHEIM GENERAL HOSPITAL (2 Service Sites)
		1098	C		ANAHEIM MEMORIAL MEDICAL CENTER
		1167		NC	KINDRED HOSPITAL - SANTA ANA
		1188	C		WESTERN MEDICAL CENTER - ANAHEIM
		1283	C		GARDEN GROVE HOSPITAL AND MED CENTER
		1379		NC	COLUMBIA WEST ANAHEIM MEDICAL CENTER
		=====			
		<b>TOTAL</b>	<b>4</b>	<b>2</b>	
BUENA PARK	1013	1234	C		LA PALMA INTERCOMMUNITY HOSPITAL
		1248	C		LOS ALAMITOS MEDICAL CENTER
		=====			
		<b>TOTAL</b>	<b>2</b>	<b>0</b>	

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### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
HUNTINGTON BEACH	1014	225		NC	ORANGE COAST MEMORIAL MEDICAL CENTER
		1175		NC	FOUNTAIN VALLEY REGIONAL
		1209		NC	HUNTINGTON BEACH HOSPITAL
		1380	C		KINDRED HOSPITAL WESTMINSTER
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>3</b>	
SANTA ANA	1015	32	C		CHILDREN'S HOSPITAL OF ORANGE COUNTY
		1140	C		CHAPMAN GENERAL HOSPITAL
		1258	C		COASTAL COMMUNITIES HOSPITAL
		1279	C		U.C. IRVINE MEDICAL CENTER
		1340	C		ST. JOSEPH HOSPITAL - ORANGE
		1357	C		TUSTIN HOSPITAL MEDICAL CENTER
		1566	C		WESTERN MEDICAL CENTER - SANTA ANA
		4045		NC	IRVINE MEDICAL CENTER
		4079	C		TUSTIN REHABILITATION HOSPITAL
		4159	C		HEALTHBRIDGE CHILDREN'S REHABILITATION
		=====			
		<b>TOTAL</b>	<b>9</b>	<b>1</b>	
INDIO	1103	1216	C		JOHN F. KENNEDY MEMORIAL HOSPITAL
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>0</b>	
PALM SPRINGS	1105	1164	C		DESERT HOSPITAL
		1168	C		EISENHOWER MEDICAL CENTER
		=====			
		<b>TOTAL</b>	<b>2</b>	<b>0</b>	
BANNING	1107	1326	C		SAN GORGONIO MEMORIAL HOSPITAL
		=====			
		<b>TOTAL</b>	<b>1</b>	<b>0</b>	
HEMET	1109	1194	C		HEMET VALLEY HOSPITAL
		2172		NC	VALLEY PLAZA HOSPITAL
		4001	C		INLAND VALLEY REGIONAL MEDICAL CENTER
		4018	C		MENIFEE VALLEY MEDICAL CENTER
		4048	C		MORENO VALLEY MEDICAL CENTER
		4068	C		SHARP HEALTHCARE MURRIETA
		4487	C		RIVERSIDE COUNTY REGIONAL MEDICAL CENTER
		=====			
		<b>TOTAL</b>	<b>6</b>	<b>1</b>	
RIVERSIDE	1111	1152	C		CORONA REGIONAL MEDICAL CENTER
		1293	C		PARKVIEW COMMUNITY HOSPITAL MED CENTER
		1312	C		RIVERSIDE COMMUNITY HOSPITAL
		4025		NC	KAISER FOUNDATION HOSPITAL- RIVERSIDE
		=====			
		<b>TOTAL</b>	<b>3</b>	<b>1</b>	
'EST SAN BERNARDINO	1207	1144	C		CHINO VALLEY MEDICAL CENTER
		1166	C		U.S. FAMILYCARE MEDICAL CENTER
		1274		NC	KINDRED HOSPITAL - ONTARIO
		1318		NC	SAN ANTONIO COMMUNITY HOSPITAL
		=====			
		<b>TOTAL</b>	<b>2</b>	<b>2</b>	

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### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
SOUTHERN SAN BERNARDINO	1209	1223		NC	KAISER FOUNDATION HOSPITAL - FONTANA
		1246	C		LOMA LINDA UNIVERSITY MEDICAL CENTER (2 Service
		1266		NC	MOUNTAINS COMMUNITY HOSPITAL
		1308	C		REDLANDS COMMUNITY HOSPITAL
		1323	C		COMMUNITY HOSPITAL OF SAN BERNARDINO
		1339	C		ST. BERNARDINE MEDICAL CENTER
		4121	C		ROBERT H. BALLARD REHABILITATION HOSPITAL
		4231	C		ARROWHEAD REGIONAL MEDICAL CENTER
		=====			
		TOTAL	6	2	
SOUTHERN SAN DIEGO CO.	1412	755	C		PALOMAR MEDICAL CENTER
		977	C		POMERADO HOSPITAL
		=====			
		TOTAL	2	0	
SOUTHERN SAN DIEGO CO.	1414	705	C		FALLBROOK HOSPITAL
		780	C		TRI-CITY MEDICAL CENTER
		=====			
		TOTAL	2	0	
NORTHERN SAN DIEGO CITY	1416	673	C		CHILDREN'S HOSPITAL OF SAN DIEGO
		694	C		DONALD N. SHARP MEMORIAL COMMUNITY HOSPITAL
		695	C		SHARP MARY BIRCH HOSPITAL FOR WOMEN
		730		NC	KAISER FOUNDATION HOSPITAL - SAN DIEGO
		771	C		SCRIPPS MEMORIAL HOSPITAL - LA JOLLA
		1256	C		CECIL H. & IDA M. GREEN HOSP OF SCRIPPS CLINIC
		1394	C		SCRIPPS MEMORIAL HOSPITAL - ENCINITAS
		=====			
		TOTAL	6	1	
CENTRAL SAN DIEGO CITY	1418	652	C		ALVARADO HOSPITAL MEDICAL CENTER
		721		NC	KINDRED HEALTHCARE - SAN DIEGO
		744	C		SCRIPPS MERCY HOSPITAL
		782	C		U.C. SAN DIEGO MEDICAL CENTER (2 service sites)
		787	C		VILLA VIEW COMMUNITY HOSPITAL
		4084		NC	SAN DIEGO HOSPICE & PALLIATIVE CARE
		4094		NC	CONTINENTAL REHABILITATION HOSP OF SAN DIEGO
		=====			
		TOTAL	4	3	
SOUTHERN SAN DIEGO CO.	1420	658	C		SCRIPPS MEMORIAL HOSPITAL - CHULA VISTA
		689	C		CORONADO HOSPITAL
		759	C		PARADISE VALLEY HOSPITAL
		875	C		SHARP CHULA VISTA MEDICAL CENTER
		=====			
		TOTAL	4	0	

## APPENDIX B

### MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2003

AREA	HFWA	FCL ID	CONTRACT STATUS		HOSPITAL
			Contract	Non-Contract	
		714	C		GROSSMONT HOSPITAL
		716		NC	KAISER FOUNDATION HOSPITAL - EL CAJON
		=====			
EAST SAN DIEGO CO.	1422	TOTAL	1	1	
STATEWIDE TOTAL			229	71	

**NOTES:**

- 1) Hospitals whose names are in ITALICS and underlined are covered by one contract, although each service site is counted as a separate hospital. Other contract hospitals with multiple service sites but utilizing only one provider number for billing purposes have the number of service sites noted in parentheses and are not counted as separate hospitals.
- 2) All Areas listed in Appendix B are designated as Closed except for HFWAs 517-Los Banos, 705-Salinas and 1014-Huntington Beach.

SOURCE: California Medical Assistance Commission Management Information System